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UNCLAS TEL AVIV 000545

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

Ha'aretz reported that the GOI has ordered the IDF to exercise restraint in Gaza, pursuant to what a senior government official termed new rules of the game. The official credited these rules,

under which Israel will not attack as long as Hamas does not fire at Israel, with the recent lull in violence. Yet at the same time, he charged, they completely contradict last week's cabinet decision, which stated that Israel should keep up the military pressure on Hamas. (Yediot reported that Hamas has committed itself to 10 days of quiet. The Jerusalem Post reported that on Sunday Hamas denied that it had reached an understanding with Israel on a truce or period of calm, but that it confirmed that Egypt was playing a role in trying to achieve a cease-fire.) The volume of rocket fire from Gaza has declined sharply in recent days. The IDF, for its part, has withdrawn all ground troops from the strip and has halted aerial assaults. Ha'aretz reported that the government official stressed that there is no formal agreement with Hamas, but rather unofficial rules that were formulated in secret during Secretary of State Condoleezza Rice's visit last week. Rice apparently relayed a proposal for resuming the lull that Hamas had transmitted via Egypt, and on her departure last Wednesday, PM Ehud Olmert responded publicly, saying: "If they don't fire Qassam rockets at us, we won't attack in Gaza." Ha'aretz quoted a military source as saying that while the rules of engagement in Gaza have not officially been altered, the "general trend was made clear to us. For now, we are not really fighting Hamas. There is restraint, even if undeclared. Where things are really heading, we'll know only later." The senior government official was quoted as saying that in effect, the unofficial ground rules covered three possible scenarios: If the rocket fire stops completely, so will IDF operations in Gaza; if Palestinians fire only at Sderot and other communities near Gaza, Israel will respond primarily with aerial assault; if rockets hit Ashkelon, Israel will respond with ground operations like last week's, in which over 100 Palestinians were killed.

All media cited assessments on the strategic situation facing Israel in 2008 that were given to the cabinet on Sunday by representatives from the Mossad, IDF Intelligence (MI), the Shin Bet, and Israel National Police. The heads of the Mossad and MI were quoted as saying that Iran will likely reach the tipping point in late 2009 or early 2010. The intelligence community raised a scenario according to which an escalation in violence in Gaza could lead to a Hizbullah attack in the North. While Yediot cited the Mossad's belief that Syria is not willing to dismantle its links with Iran, even if Israel commits itself to withdrawing from the entire Golan, MI assessed that disengaging Syria from the "axis of evil" depends on Israel relinquishing the Golan for the sake of the peace process. Foreign Ministry representatives were quoted as saying that the U.S. was suffering from a declining status in the Middle East, and that this was causing an increase in the maneuverability of other players in the region, including radical ones. However, they were quoted as saying, these radical forces were deterred by Israel, worried by its strength, and concerned by the force it could use. This, the officials were quoted as saying, prevented them from acting with all their might.

Leading media quoted the Housing Ministry as saying on Sunday that PM Olmert has approved construction of an estimated 750 new homes in the West Bank settlement of Givat Ze'ev. The project approved for the settlement's Agan Ayelot neighborhood drew criticism from the PA over Israel's commitment to the peace process. Ha'aretz quoted Mark Regev, the PM's spokesman, as saying that the project had already been approved by previous governments and abided by the state's current policy on construction in large settlement blocks that "will remain a part of Israel in any final status agreement." Israel Radio reported that Shas had threatened to quit the government if the project would have been blocked.

The media reported that on Sunday FM Tzipi Livni left for a visit to Washington during which she will meet with Secretary Rice, National Security Adviser Steve Hadley, and members of Congress.

Leading media reported that Republican presidential candidate Senator John McCain may come to Israel next week as a member of a visiting CODEL. Ha'aretz quoted GOI sources as saying that it is not yet certain that McCain will be part of the delegation. If he does come, he will meet with PM Olmert, Defense Minister Ehud Barak, and FM Tzipi Livni. It is believed McCain would want such a visit in order to strengthen his ties to the American Jewish community ahead of the presidential elections. Maariv cited The Washington Post as saying that Senator Barack Obama's team is also considering a visit to Israel.

All media reported that on Sunday Rabbi Ya'acov Shapira, head of the Mercaz Harav Yeshiva in Jerusalem, called to replace the "hollow" government and to continue building in all parts of the Land of Israel (including the territories). Earlier on Sunday dozens and educators verbally assaulted the Education Minister as she left Mercaz Harav after visiting the high school. Shouts of "murderer," "criminal," and "traitor" were hurled at her. The media also reported that the yeshiva rejected PM Olmert's offer of a condolence visit. Major media reported that Hamas unofficially hinted on Sunday that it was behind the attack. Over the weekend media quoted Palestinian sources as saying that Hamas and Hizbullah helped carry out the attack. All media reported that a number of stone-throwing incidents were recorded over the weekend on major roads near Israeli Arab towns.

Leading media displayed the picture of billboards exhibited throughout Tehran that represent Defense Minister Barak, Mossad Director Meir Dagan, and MI Intelligence head Amos Yadlin as targets to be eliminated. The Iranian government is offering \$1 million for their heads.

On Sunday The Jerusalem Post quoted Construction and Housing Minister Ze'ev Boim, who is a leading candidate to become the next ambassador to the UN, as saying on Saturday that Israel should form an international coalition to push for the removal of Mohamed ElBaradei as head of the IAEA.

Ha'aretz reported that the breakaway Turkish Republic of Northern Cyprus will open a trade office in Israel in the coming weeks, with the assistance of the law office of Dov Weisglass, the former bureau chief of PM Ariel Sharon. The office will hold no diplomatic status and aims to further economic dealings between Israel and northern Cyprus. The Foreign Ministry has kept a low profile on the matter, trying to avoid a confrontation with Greece and Cyprus on the one hand and Turkey on the other. Most Israeli business in the North Cyprus revolves around real estate and tourism, including investments in casinos.

The media reported that President Shimon Peres will leave today for a five-day visit to France. Ha'aretz noted that French President Nicolas Sarkozy made Peres his first official visitor.

Maariv reported that Palestinians from abroad will visit the country for trips equivalent to the "birthright israel" programs.

Leading media reported that the emblematic Polgat textile factory in Kiryat Gat will close its doors next month.

Ha'aretz reviewed the results of a poll conducted by Brandeis University's Steinhardt Social Research Institute, which found that the attitude of U.S. Jewry to Israel has not changed over the past decade.

Mideast:

Summary:

Palestinian affairs correspondent Avi Issacharoff and Military correspondent Amos Harel wrote on page one of the independent, left-leaning Ha'aretz: "The relative calm could be considered to be a confidence-building measure that would enable Egypt to step up its efforts to reach a longer-term agreement."

Ha'aretz editorialized: "The terror attack in Jerusalem and the rejoicing it prompted among the Palestinian public threaten the chance of attaining [the goals of Annapolis]."

Military correspondent Alex Fishman wrote on page one of the mass-circulation, pluralist Yediot Aharonot: "The timing [of the attack on the yeshiva] that was chosen and the location that was chosen were geared to have ignited a pyre on the West Bank and to have lit a third Intifada that would rage in tandem with the fighting in the Gaza Strip.

Defense commentator Amir Oren wrote in Ha'aretz: "The tough

decisions will be left to the next president, but already now it is clear that there will not be a hasty retreat from the Middle East. McCain is against that, Clinton is not far from him in her views, and Obama will be educated. Iran is the new Iraq."

Block Quotes:

I. "A Lull in Gaza?"

Palestinian affairs correspondent Avi Issacharoff and Military correspondent Amos Harel wrote on page one of the independent, left-leaning Ha'aretz (3/10): "The statistics are not lying: Since last Thursday, there has been a lull in the fighting in the Gaza Strip. It is quite certain that this will be a short break.... The relative calm could be considered to be a confidence-building measure that would enable Egypt to step up its efforts to reach a longer-term agreement. It will also make it difficult for Israel to initiate a new series of attacks targeting Hamas in the Strip.... Hamas is demanding, as a prerequisite for a deal, the opening of the border crossings, especially the one at Rafah. Reaching agreement on this matter, one that will be acceptable to both Israel and Hamas, is a very difficult thing to do.... IDF sources say that the person who really makes the decisions in Hamas has for some time not been Haniyeh, nor even Khaled Mashal, the group's politburo chief in Damascus. They say that Ahmed Jabari, the head of the military wing of the group, rules. Jabari is the one who led the breach of the border wall at the Philadelphi route in Rafah late in January, in spite of reservations from Mashal. Jabari's stance is hard and uncompromising. It is unlikely he will be willing to make any ideological concessions."

II. "Blood, Religion, and Negotiations"

Ha'aretz editorialized (3/9): "From the start, the Annapolis process came across as overly ambitious and sterile -- a drive to reach an agreement within a year, only to shelve it for when the need arises.

Its success depends on several conditions coalescing: a formula acceptable to the Israeli government and Palestinian Authority leadership, Mahmoud Abbas confronting Hamas and the rest of the rejectionist organizations, and public opinion on both sides mobilizing in support of the agreement and against its enemies. The terror attack in Jerusalem and the rejoicing it prompted among the Palestinian public threaten the chance of attaining these conditions. On top of this is Abbas's helplessness, a loss of support for the Kadima-Labor government, and the growing strength of the radical right in Israel, which opposes a compromise on Jerusalem. This is the final chance for a combined political and military effort, for peace, and against its enemies. Without such action now, the power of the moderate nationalists will wane, the religious zealots will grow stronger, and the conflict will become eternal."

III. "The Goal: A Third Intifada"

Military correspondent Alex Fishman wrote on page one of the mass-circulation, pluralist Yediot Aharonot (3/9): "This wasn't a self-sacrifice operation that was decided on spontaneously. Nor was it an outburst of emotions and frustration felt by a Palestinian resident of Israel and fueled by the painful images out of Gaza.

The terror attack at the Mercaz Harav Yeshiva, so believe Israeli security officials, was planned and prepared prior to the most recent round of violence in the Gaza Strip. It was what is known as a 'locked and loaded terror attack.' -- to wit, a terror attack that was fully prepared and was only awaiting orders to be set in motion.

Standing behind the murderer was a group that selected the time and the location scrupulously. The security establishment has not dismissed the notion that this group was handled by Hizbullah in Lebanon. The timing that was chosen and the location that was chosen were geared to have ignited a pyre on the West Bank and to have lit a third Intifada that would rage in tandem with the fighting in the Gaza Strip. That is one of the most salient interests of Hamas in Gaza and, to no lesser an extent, of Hizbullah. In that sense, and only in that sense, there was no surprise here. Prior to the terror attack, senior military officials said they believed Hamas would try to export the clashes to the West Bank. The target that was chosen for the terror attack

is not merely a religious institution, on which, naturally enough, any attack is potentially inflammatory. At issue is an institute of the religious Zionist movement, which could 'ensure' the planners of the terror attack that there would be a wave of revenge attacks in the territories that would cause the situation on the West Bank to devolve into chaos.... This terror attack is a wake-up call for all the branches of [Israel's] defense establishment."

IV. "The Road to Gaza Runs through Tehran"

Defense commentator Amir Oren wrote in Ha'aretz (3/10): "The Chairman of the Joint Chiefs of Staff, Admiral Michael Mullen, has already stated that one of his tasks is to 'educate' the civilian leaders. In a democracy, the decision is of course made by the politicians, but it is the army's duty to shed light on matters by providing the latter with data, explaining significances and recommending alternatives. Mullen's message is probably aimed at the contenders for the Democratic Party presidential nomination -- Hillary Clinton and, more specifically, Barack Obama -- far more than at the Republican candidate, John McCain. As a member of the Senate Armed Services Committee, Clinton acquired a modicum of experience in security affairs; Obama is a complete novice in this regard. McCain, as a retired colonel and as a legislator, is also close in his approach to that of the senior officer corps. The tough decisions will be left to the next president, but already now it is clear that there will not be a hasty retreat from the Middle East. McCain is against that, Clinton is not far from him in her views, and Obama will be educated. Iran is the new Iraq..... What is now in the cards is a wait of another year or more, until the next U.S. administration has stabilized, while the internal developments in Iran continue to be monitored and a coordinated American-Israeli posture is worked out."

JONES